



CARETRUST REIT, INC.

FOURTH QUARTER 2020 FINANCIAL SUPPLEMENT



Broadmoor Medical Lodge (Rockwall, TX)

Expertise. Partnership. Growth.

Disclaimers

This supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding our intent, belief or expectations, including, but not limited to, statements regarding future financial and financing positions, business and acquisition strategies, growth prospects, operating and financial performance, expectations regarding the making of distributions, payment of dividends, compliance with and changes in governmental regulations, and the performance of our operators and their respective facilities.

Words such as “anticipate,” “believe,” “could,” “expect,” “estimate,” “intend,” “may,” “plan,” “seek,” “should,” “will,” “would,” and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements, though not all forward-looking statements contain these identifying words. Our forward-looking statements are based on our current expectations and beliefs, and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying these forward-looking statements are reasonable, they are not guarantees and we can give no assurance that our expectations will be attained. Factors which could have a material adverse effect on our operations and future prospects or which could cause actual results to differ materially from expectations include, but are not limited to: (i) the COVID-19 pandemic and the measures taken to prevent its spread and the related impact on our business or the businesses of our tenants; (ii) the ability and willingness of our tenants to meet and/or perform their obligations under the triple-net leases we have entered into with them, including, without limitation, their respective obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities; (iii) the ability of our tenants to comply with applicable laws, rules and regulations in the operation of the properties we lease to them; (iv) the ability and willingness of our tenants to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant, as well as any obligations, including indemnification obligations, we may incur in connection with the replacement of an existing tenant; (v) the availability of and the ability to identify (a) tenants who meet our credit and operating standards, and (b) suitable acquisition opportunities, and the ability to acquire and lease the respective properties to such tenants on favorable terms; (vi) the ability to generate sufficient cash flows to service our outstanding indebtedness; (vii) access to debt and equity capital markets; (viii) fluctuating interest rates; (ix) the ability to retain our key management personnel; (x) the ability to maintain our status as a real estate investment trust (“REIT”); (xi) changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; (xii) other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and (xiii) any additional factors included in our Annual Report on Form 10-K for the year ended December 31, 2020, including in the section entitled “Risk Factors” in Item 1A of Part I of such report, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission (the “SEC”).

This supplement contains certain non-GAAP financial information relating to CareTrust REIT including EBITDA, Normalized EBITDA, FFO, Normalized FFO, FAD, Normalized FAD, and certain related ratios. Explanatory footnotes and a glossary explaining this non-GAAP information are included in this supplement. Reconciliations of these non-GAAP measures are also included in this supplement. Other financial information, including GAAP financial information, is also available on our website. Non-GAAP financial information does not represent financial performance under GAAP and should not be considered in isolation, as a measure of liquidity, as an alternative to net income, or as an indicator of any other performance measure determined in accordance with GAAP. You should not rely on non-GAAP financial information as a substitute for GAAP financial information, and should recognize that non-GAAP information presented herein may not compare to similarly-termed non-GAAP information of other companies (i.e., because they do not use the same definitions for determining any such non-GAAP information).

This supplement also includes certain information regarding operators of our properties (such as EBITDARM Coverage, EBITDAR Coverage, and Occupancy), most of which are not subject to audit or SEC reporting requirements. The operator information provided in this supplement has been provided by the operators. We have not independently verified this information, but have no reason to believe that such information is inaccurate in any material respect. We are providing this information for informational purposes only. The Ensign Group, Inc. (“Ensign”) and The Pennant Group, Inc. (“Pennant”) are subject to the registration and reporting requirements of the SEC and are required to file with the SEC annual reports containing audited financial information and quarterly reports containing unaudited financial information. Ensign’s and Pennant’s financial statements, as filed with the SEC, can be found at the SEC’s website at www.sec.gov.

This supplement provides information about our financial results as of and for the quarter and year ended December 31, 2020 and is provided as of the date hereof, unless specifically stated otherwise. We expressly disclaim any obligation to update or revise any information in this supplement (including forward-looking statements), whether to reflect any change in our expectations, any change in events, conditions or circumstances, or otherwise.

As used in this supplement, unless the context requires otherwise, references to “CTRE,” “CareTrust,” “CareTrust REIT” or the “Company” refer to CareTrust REIT, Inc. and its consolidated subsidiaries. GAAP refers to generally accepted accounting principles in the United States of America.

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CareTrust REIT is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of seniors housing and healthcare-related properties. CareTrust REIT generates revenues primarily by leasing properties to a diverse group of local, regional and national seniors housing operators, healthcare services providers, and other healthcare-related businesses.

Since its debut as a standalone public company on June 1, 2014, and as of February 10, 2021, CareTrust REIT has expanded its tenant roster to 22 operators, and has grown its real estate portfolio to 217 net-leased healthcare properties across 28 states, consisting of 22,376 operating beds/units.

Management

Greg Stapley
Chairman and Chief Executive Officer

Bill Wagner
Chief Financial Officer

Dave Sedgwick
President and Chief Operating Officer

Mark Lamb
Chief Investment Officer

Board of Directors

Greg Stapley
Chairman

Diana Laing

Jon Kline

Allen Barbieri

Spencer Plumb

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At a Glance

CareTrust REIT, Inc.

Nasdaq: CTRE

Market Data

(as of December 31, 2020)

Closing Price: \$22.18

52 Week Range: \$23.83– \$7.16

Market Cap: \$2,123M

Enterprise Value: \$2,654M

Outstanding Shares: 95.7M

Credit Ratings

S&P

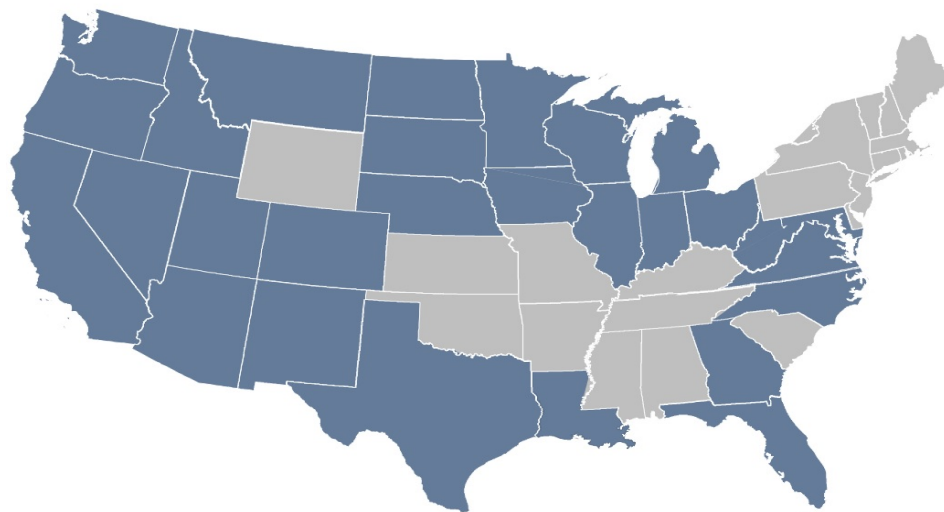
Corporate Rating: BB- (stable)

Senior Unsecured Notes: BB

Moody's

Corporate Rating: Ba2 (negative)

Senior Unsecured Notes: Ba2



217
Properties

28 States

22 Operators

22,376
Operating
Beds/Units

\$1,786.7 M
Investments

Note:

Amounts are as of December 31, 2020 and exclude our one mezzanine loan receivable. Additionally, excludes one property held for sale as of December 31, 2020 that was sold in February 2021.

Investments



Date	Operator	Property Type	Location	Facilities	Initial Investment ^[1]	Initial Operating Beds/Units ^[2]	Initial Rent ^[3]	Initial Yield ^[4]
6/1/2014	The Ensign Group	ALF, SNF, Campus	Various	94	\$ 501,673	10,053	\$ 56,000	N/A
2014 Investments				6	33,609	157	3,076	9.2 %
2015 Investments				20	233,028	1,840	22,263	9.6 %
2016 Investments				35	288,023	2,800	26,084	9.1 %
2017 Investments				36	309,805	3,324	28,000	9.0 %
2018 Investments				12	111,950	1,103	9,955	8.9 %
2019 Investments				27	340,884	3,348	30,168	8.8 %
01/17/2020	Cascadia Healthcare	SNF	ID	1	18,675	99	1,669	8.9 %
02/12/2020	Bayshire, LLC	ALF	UT	1	7,396	62	590	8.0 %
09/01/2020	Eduro Healthcare, LLC	SNF	MT	2	16,620	150	1,550	9.3 %
11/17/2020	The Ensign Group	3 SNF, 1 Campus	TX	4	47,576	650	3,789	8.0 %
11/30/2020	Next Healthcare	Mezzanine Loan	VA	9	15,000	N/A	1,800	12.0 %
2020 Investments				17	105,267	961	9,398	8.9 %
Total Post Spin-off Investments ^[5]				153	1,422,566	13,533	128,944	9.1 %
Total Investments ^[5]				247	\$ 1,924,239	23,586	\$ 184,944	

Notes:

[1] Initial Investment for pre-spin properties represents Ensign's and Pennant's gross book value. Initial Investment for post-spin properties represents CareTrust REIT's purchase price and transaction costs.

[2] Initial Operating Beds/Units as of the acquisition date.

[3] Initial Rent represents the annualized acquisition-date cash rent, deferred interest income on any preferred equity investments and interest income on any mezzanine loans. Initial Rent excludes ground lease income.

[4] Initial Yield represents Initial Rent divided by Initial Investment.

[5] All amounts, except as otherwise indicated, include any preferred equity investments, mortgage loans receivable and mezzanine loans receivable.

Top 10 Tenants Lease Coverage

	Twelve Months Ended March 31, 2020		Six Months Ended September 30, 2020		Twelve Months Ended September 30, 2020		Six Months Ended September 30, 2020		Twelve Months Ended September 30, 2020	
	Pre COVID-19		Excludes Use of HHS Funds ^[3]				Includes Amortized HHS Funds ^[4]			
	EBITDAR Coverage ^[1]	EBITDARM Coverage ^[1]	EBITDAR Coverage ^[1]	EBITDARM Coverage ^[1]	EBITDAR Coverage ^[1]	EBITDARM Coverage ^[1]	EBITDAR Coverage ^[1]	EBITDARM Coverage ^[1]	EBITDAR Coverage ^[1]	EBITDARM Coverage ^[1]
1 The Ensign Group ^[2]	3.03x	3.81x	3.72x	4.54x	3.49x	4.30x	3.72x	4.54x	3.49x	4.30x
2 Priority Management Group	1.50x	1.81x	1.65x	1.98x	1.62x	1.95x	1.99x	2.37x	1.79x	2.14x
3 Cascadia Healthcare	1.59x	2.07x	1.07x	1.52x	1.30x	1.76x	1.59x	2.07x	1.57x	2.05x
4 Providence Group	1.03x	1.45x	1.03x	1.51x	0.98x	1.44x	1.46x	1.98x	1.19x	1.67x
5 Eduro Healthcare, LLC	1.19x	1.66x	1.52x	2.00x	1.39x	1.88x	1.89x	2.40x	1.59x	2.08x
6 The Pennant Group ^[2]	1.33x	1.55x	1.22x	1.44x	1.28x	1.51x	1.22x	1.44x	1.28x	1.51x
7 Covenant Care	1.50x	2.07x	1.34x	1.90x	1.45x	2.01x	1.87x	2.42x	1.71x	2.28x
8 Noble Senior Services ^[2]	0.87x	1.14x	0.90x	1.18x	0.88x	1.16x	0.90x	1.18x	0.88x	1.16x
9 Premier Senior Living ^[2]	0.68x	0.82x	0.68x	0.81x	0.62x	0.75x	0.68x	0.81x	0.62x	0.75x
10 WLC Management	2.15x	2.59x	2.23x	2.69x	2.11x	2.56x	2.95x	3.43x	2.47x	2.93x
Total Top 10 Tenants	2.04x	2.57x	2.27x	2.82x	2.19x	2.74x	2.48x	3.04x	2.30x	2.85x
All Other Tenants	1.06x	1.53x	0.98x	1.45x	1.06x	1.53x	1.50x	2.00x	1.33x	1.81x
Total	1.90x	2.42x	2.07x	2.60x	2.02x	2.55x	2.33x	2.88x	2.15x	2.69x

Notes:

[1] EBITDAR Coverage and EBITDARM Coverage are based on financial information provided by our tenants. We have not independently verified this information, but have no reason to believe that such information is inaccurate in any material respect. Coverage metrics are based on contractual cash rents in place during the period presented unless a lease has been entered into or amended since the end of the period, in which case the current contractual rent is used. EBITDAR reflects the application of a standard 5% management fee. All amounts exclude our one operated seniors housing property owned as of September 30, 2020.

[2] Ensign and Pennant have announced that they have returned, and/or intend to return, all provider relief funds issued to them by the U.S. Department of Health and Human Services ("HHS") pursuant to the CARES Act in connection with the COVID-19 pandemic ("HHS Relief Funds"). Noble and Premier, seniors housing operators, received no HHS Relief Funds to date.

[3] Coverage metrics in this section exclude all HHS Relief Funds received and retained to date, if any.

[4] Coverage metrics in this section include all known HHS Relief Funds received and retained as of February 1, 2021, if any, and amortizes the retained HHS Relief Funds ratably over the 15-month period (April 2020 - June 2021) coinciding with HHS' currently-stated deadline of June 30, 2021 for using the HHS Relief Funds for allowable purposes. The calculations further assume that (i) none of the HHS Relief Funds retained to date will be returned to HHS, and (ii) no additional HHS Relief Funds will be distributed to providers in the future.

See "Glossary" for additional information.

Portfolio Performance



(dollars in thousands)

As of December 31, 2020

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[2]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	156	16,148	\$1,292,812	72.4%	\$127,305	73.4%	9.8%
Multi-Service Campus	20	2,923	248,740	13.9%	21,200	12.2%	8.5%
Seniors Housing	41	3,305	245,118	13.7%	24,926	14.4%	10.2%
Total Net-Leased Assets ^[4]	217	22,376	\$1,786,670	100.0%	\$173,431	100.0%	9.7%

(dollars in thousands)

As of September 30, 2020

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[5]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	154	15,733	\$1,259,279	72.2%	\$123,897	73.0%	9.8%
Multi-Service Campus	19	2,741	241,363	13.8%	20,482	12.1%	8.5%
Seniors Housing	41	3,305	243,757	14.0%	25,352	14.9%	10.4%
Total Net-Leased Assets ^[6]	214	21,779	\$1,744,399	100.0%	\$169,731	100.0%	9.7%

(dollars in thousands)

As of December 31, 2019

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[7]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	152	15,782	\$1,218,374	72.1%	\$118,644	72.7%	9.7%
Multi-Service Campus	18	2,460	237,191	14.0%	19,992	12.3%	8.4%
Seniors Housing	40	3,241	235,335	13.9%	24,517	15.0%	10.4%
Total Net-Leased Assets ^[8]	210	21,483	\$1,690,900	100.0%	\$163,153	100.0%	9.6%

Notes:

[1] Investment for pre-spin properties represents Ensign's and Pennant's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[2] Rent represents December 2020 rent, annualized, or based on the initial cash rents annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2020, the new contractual cash rent is used.

[3] Current Yield represents Rent divided by Investment.

[4] All amounts exclude our one mezzanine loan receivable and one property classified as held for sale as of December 31, 2020 that was sold in February 2021.

[5] Rent represents September 2020 rent, annualized, or based on the initial cash rents annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to September 30, 2020, the new contractual cash rent is used.

[6] All amounts exclude our one operated seniors housing property. The independent living facility was sold to a third party on November 1, 2020.

[7] Rent represents December 2019 rent, annualized, or based on the initial cash rents annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2019, the new contractual cash rent is used.

[8] All amounts exclude our one operated seniors housing property, one preferred equity investment and two mortgage loans receivable. Additionally, amounts exclude properties classified as held for sale as of December 31, 2019.

See "Glossary" for additional information.

Rent Diversification by Tenant

(dollars in thousands)

As of December 31, 2020^[1]

	Facilities	Operating Beds/Units	Investment ^[2]	% of Total Investment	Rent ^[3]	% of Total Rent
1 The Ensign Group	89	9,546	\$ 498,702	27.9 %	\$ 57,195	33.0 %
2 Priority Management Group	15	2,145	300,004	16.8 %	27,925	16.1 %
3 Cascadia Healthcare	13	1,112	122,765	6.9 %	11,608	6.7 %
4 Providence Group	8	1,067	127,759	7.2 %	10,166	5.9 %
5 Eduro Healthcare, LLC	8	912	87,380	4.9 %	8,154	4.7 %
Total Top 5 Tenants	133	14,782	\$ 1,136,610	63.7 %	\$ 115,048	66.4 %
6 The Pennant Group	11	1,193	57,165	3.2 %	7,837	4.5 %
7 Covenant Care	6	790	69,828	3.9 %	6,719	3.9 %
8 Noble Senior Services	12	1,075	46,181	2.6 %	6,439	3.7 %
9 Premier Senior Living	8	385	68,573	3.8 %	6,382	3.7 %
10 WLC Management	8	772	46,363	2.6 %	4,833	2.8 %
Total Top 10 Tenants	178	18,997	\$ 1,424,720	79.8 %	\$ 147,258	85.0 %
All Other Tenants	39	3,379	\$ 361,950	20.2 %	\$ 26,173	15.0 %
Total	217	22,376	\$ 1,786,670	100.0 %	\$ 173,431	100.0 %

Notes:

[1] All amounts exclude our one mezzanine loan receivable and one property classified as held for sale as of December 31, 2020 that was sold in February 2021.

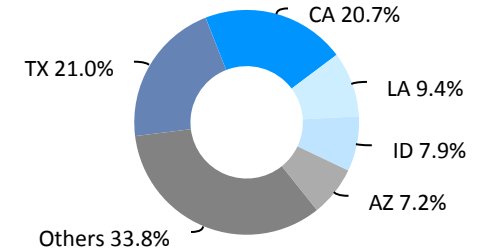
[2] Investment for pre-spin properties represents Ensign's and Pennant's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[3] Rent represents December 2020 rent, annualized, or based on the initial cash rents annualized and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2020, the new contractual cash rent is used.

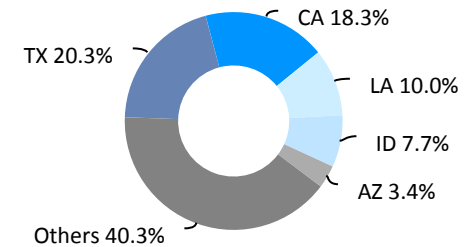
Geographic Diversification

Top Five States

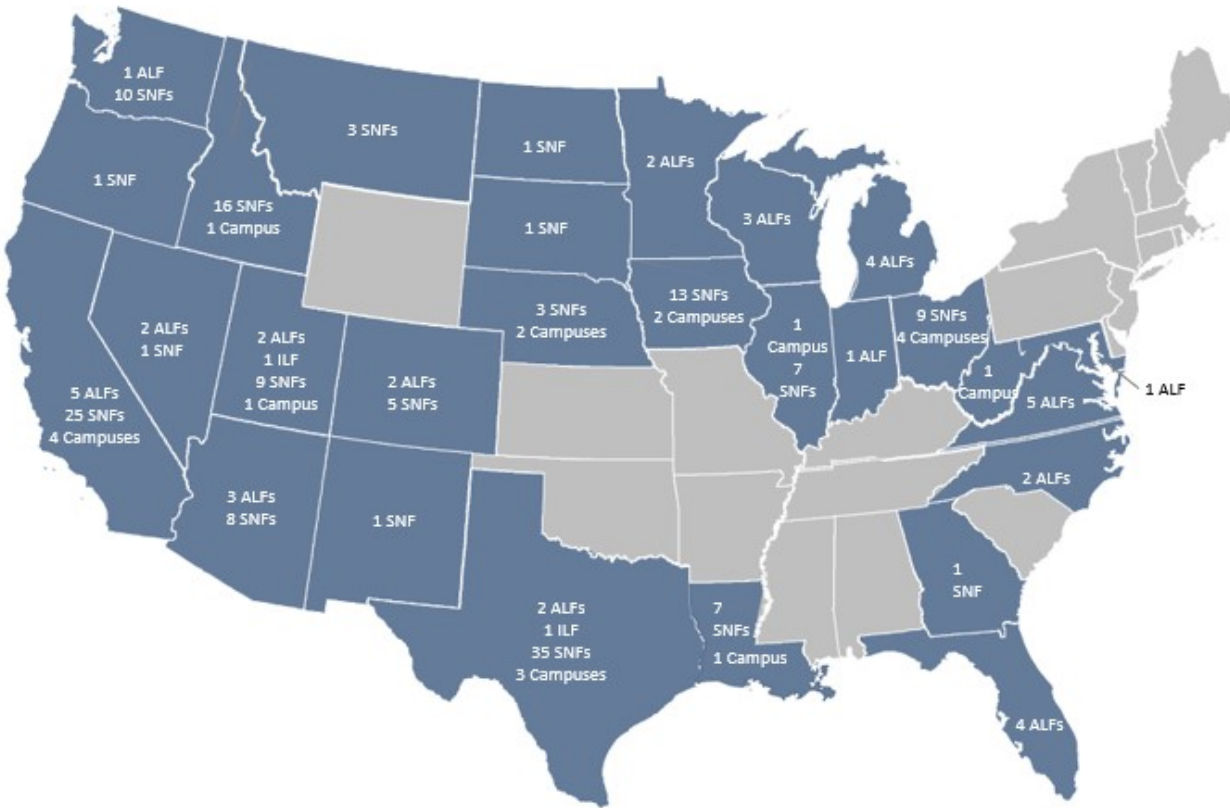
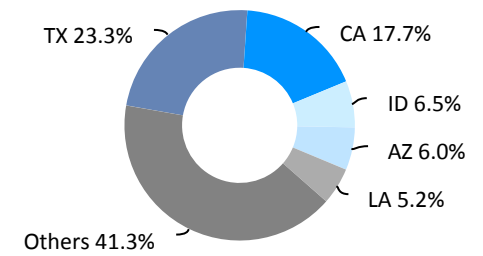
Run-Rate Rent



Investment



Beds/Units



Notes: Numbers are as of December 31, 2020 and exclude our one mezzanine loan receivable and one property held for sale that was sold in February 2021.

217 NNN Facilities

22 Operator Relationships

28 States

Rent Diversification by State

(dollars in thousands)

As of December 31, 2020^[1]

Net-Leased Assets by State	Facilities	Operating Beds/Units	Investment ^[2]	% of Total Investment	Rent ^[3]	% of Total Rent
1 Texas	41	5,207	\$ 363,317	20.3 %	\$ 36,436	21.0 %
2 California	34	3,965	326,937	18.3 %	35,902	20.7 %
3 Louisiana	8	1,164	178,407	10.0 %	16,233	9.4 %
4 Idaho	17	1,457	138,089	7.7 %	13,658	7.9 %
5 Arizona	11	1,352	60,753	3.4 %	12,470	7.2 %
Top 5 States	111	13,145	\$ 1,067,503	59.7 %	\$ 114,699	66.2 %
6 Ohio	13	1,284	156,408	8.8 %	8,095	4.7 %
7 Utah	13	1,392	85,071	4.8 %	7,342	4.2 %
8 Colorado	7	785	60,435	3.4 %	5,568	3.2 %
9 Washington	11	992	54,218	3.0 %	4,929	2.8 %
10 Iowa	15	984	53,488	3.0 %	4,864	2.8 %
Top 10 States	170	18,582	\$ 1,477,123	82.7 %	\$ 145,497	83.9 %
All Other States	47	3,794	\$ 309,547	17.3 %	\$ 27,934	16.1 %
Total	217	22,376	\$ 1,786,670	100.0 %	\$ 173,431	100.0 %

Notes:

[1] All amounts exclude our one mezzanine loan receivable and one property held for sale as of December 31, 2020 that was sold in February 2021.

[2] Investment for pre-spin properties represents Ensign's and Pennant's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[3] Rent represents December 2020 rent, annualized, or based on the initial cash rents annualized and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2020, the new contractual cash rent is used.

Lease Maturities

(dollars in thousands)

As of December 31, 2020^[1]

Lease Maturity Year ^[2]	Investment ^[3]	% of Total Investment	Rent ^[4]	% of Total Rent
2026	58,157	3.3 %	5,241	3.0 %
2027	46,801	2.6 %	4,897	2.8 %
2028	68,193	3.8 %	7,573	4.4 %
2029	114,040	6.4 %	8,624	5.0 %
2030	207,160	11.6 %	18,925	10.9 %
2031	558,768	31.3 %	53,356	30.8 %
2032	200,931	11.2 %	19,495	11.2 %
2033	214,247	12.0 %	23,147	13.3 %
2034	318,373	17.8 %	32,173	18.6 %
Total	\$ 1,786,670	100.0 %	\$ 173,431	100.0 %

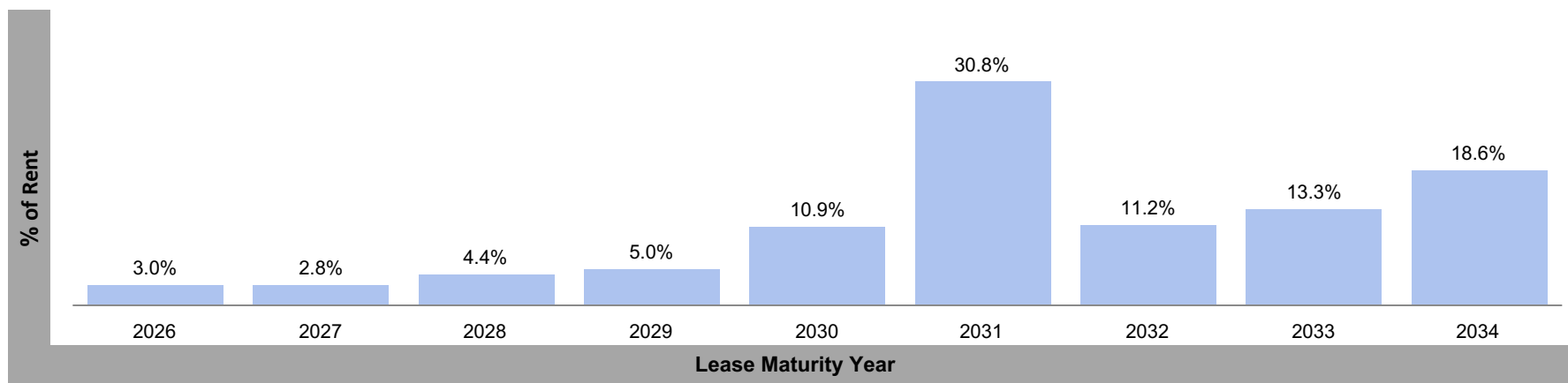
Notes:

[1] All amounts exclude our one mezzanine loan receivable and one property held for sale as of December 31, 2020 that was sold in February 2021.

[2] Lease Maturity Year represents the scheduled expiration year of the primary term of the lease and does not include tenant extension options or purchase options, if any.

[3] Investment for pre-spin properties represents Ensign's and Pennant's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[4] Rent represents December 2020 rent, annualized, or based on the initial cash rents annualized and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2020, the new contractual cash rent is used.



Tenant Purchase Options

(dollars in thousands)

As of December 31, 2020^[1]

Asset Type	Properties	Lease Expiration	1st Option Open Year	Option Type	Current Cash Rent	% of Total ^[1]
ALF	7	October 2034	1/1/2021	A	\$ 3,207	1.85 %
SNF	11	January 2031	1/1/2022	C	\$ 4,800	2.77 %
SNF	1	March 2030	4/1/2022	B / C ^[2]	\$ 766	0.44 %
SNF / Campus	2	October 2032	1/1/2023	B	\$ 959	0.55 %
SNF	4	November 2034	12/1/2024	B	\$ 3,789	2.18 %
ALF	2	October 2034	1/1/2026	A	\$ 1,559	0.90 %
						8.69 %

Option Type:

A - Fixed base price plus a specified share on any appreciation

B - Fixed base price

C - Fixed capitalization rate on lease revenue

Notes:

[1] Based on annualized cash revenue for contracts in place at December 31, 2020

[2] Purchase option reflects two option types



Cottages at White Bear Lake (White Bear Lake, MN)

Expertise. Partnership. Growth.



Las Colinas (Ontario, CA)

Financial Overview



Consolidated Income Statements

(amounts in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Revenues:				
Rental income	\$ 43,605	\$ 41,620	\$ 173,612	\$ 155,667
Independent living facilities	203	713	2,077	3,389
Interest and other income	329	1,895	2,643	4,345
Total revenues	44,137	44,228	178,332	163,401
Expenses:				
Depreciation and amortization	13,275	13,063	52,760	51,822
Interest expense	5,579	6,916	23,661	28,125
Property taxes	657	741	2,836	3,048
Independent living facilities	209	666	1,869	2,898
Impairment of real estate investments	—	—	—	16,692
Provision for loan losses	—	—	—	1,076
General and administrative	3,381	3,740	16,302	15,158
Total expenses	23,101	25,126	97,428	118,819
Other (loss) income:				
Gain (loss) on sale of real estate	19	1,560	(37)	1,777
Net income	<u>\$ 21,055</u>	<u>\$ 20,662</u>	<u>\$ 80,867</u>	<u>\$ 46,359</u>
Earnings per common share:				
Basic	\$ 0.22	\$ 0.22	\$ 0.85	\$ 0.49
Diluted	\$ 0.22	\$ 0.22	\$ 0.85	\$ 0.49
Weighted-average number of common shares:				
Basic	95,215	95,103	95,200	93,088
Diluted	95,244	95,144	95,207	93,098
Dividends declared per common share	<u>\$ 0.25</u>	<u>\$ 0.225</u>	<u>\$ 1.00</u>	<u>\$ 0.90</u>

Reconciliation of EBITDA, FFO and FAD



(amounts in thousands, except per share data)

	Quarter Ended December 31, 2019	Quarter Ended March 31, 2020	Quarter Ended June 30, 2020	Quarter Ended September 30, 2020	Quarter Ended December 31, 2020
Net income	\$ 20,662	\$ 19,325	\$ 18,935	\$ 21,552	\$ 21,055
Depreciation and amortization	13,063	13,160	13,239	13,086	13,275
Interest expense	6,916	6,714	5,849	5,519	5,579
Amortization of stock-based compensation	982	884	963	972	971
EBITDA	41,623	40,083	38,986	41,129	40,880
Provision for doubtful accounts and lease restructuring	464	—	—	—	—
Recovery of previously reversed rent	—	—	—	(1,047)	—
Lease termination revenue	—	—	—	(1,106)	(73)
Property operating expenses	(84)	(217)	(31)	—	—
(Gain) loss on sale of real estate	(1,560)	56	—	—	(19)
Normalized EBITDA	\$ 40,443	\$ 39,922	\$ 38,955	\$ 38,976	\$ 40,788
Net income	\$ 20,662	\$ 19,325	\$ 18,935	\$ 21,552	\$ 21,055
Real estate related depreciation and amortization	13,046	13,144	13,223	13,078	13,268
(Gain) loss on sale of real estate	(1,560)	56	—	—	(19)
Funds from Operations (FFO)	32,148	32,525	32,158	34,630	34,304
Provision for doubtful accounts and lease restructuring	464	—	—	—	—
Recovery of previously reversed rent	—	—	—	(1,047)	—
Lease termination revenue	—	—	—	(1,106)	(73)
Property operating expenses	(84)	(217)	(31)	—	—
Normalized FFO	\$ 32,528	\$ 32,308	\$ 32,127	\$ 32,477	\$ 34,231

See Glossary for additional information.

Reconciliation of EBITDA, FFO and FAD

(continued)



	Quarter Ended December 31, 2019	Quarter Ended March 31, 2020	Quarter Ended June 30, 2020	Quarter Ended September 30, 2020	Quarter Ended December 31, 2020
(amounts in thousands, except per share data)					
Net income	\$ 20,662	\$ 19,325	\$ 18,935	\$ 21,552	\$ 21,055
Real estate related depreciation and amortization	13,046	13,144	13,223	13,078	13,268
Amortization of deferred financing fees	487	487	488	487	488
Amortization of stock-based compensation	982	884	963	972	971
Straight-line rental income	98	(26)	(22)	(17)	(12)
(Gain) loss on sale of real estate	(1,560)	56	—	—	(19)
Funds Available for Distribution (FAD)	33,715	33,870	33,587	36,072	35,751
Provision for doubtful accounts and lease restructuring	464	—	—	—	—
Recovery of previously reversed rent	—	—	—	(1,047)	—
Lease termination revenue	—	—	—	(1,106)	(73)
Property operating expenses	(84)	(217)	(31)	—	—
Normalized FAD	\$ 34,095	\$ 33,653	\$ 33,556	\$ 33,919	\$ 35,678
FFO per share	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.36	\$ 0.36
Normalized FFO per share	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.36
FAD per share	\$ 0.35	\$ 0.36	\$ 0.35	\$ 0.38	\$ 0.37
Normalized FAD per share	\$ 0.36	\$ 0.35	\$ 0.35	\$ 0.36	\$ 0.37
Diluted weighted average shares outstanding [1]	95,340	95,306	95,295	95,353	95,429

[1] For the periods presented, the diluted weighted average shares have been calculated using the treasury stock method. See Glossary for additional information.

Consolidated Balance Sheets

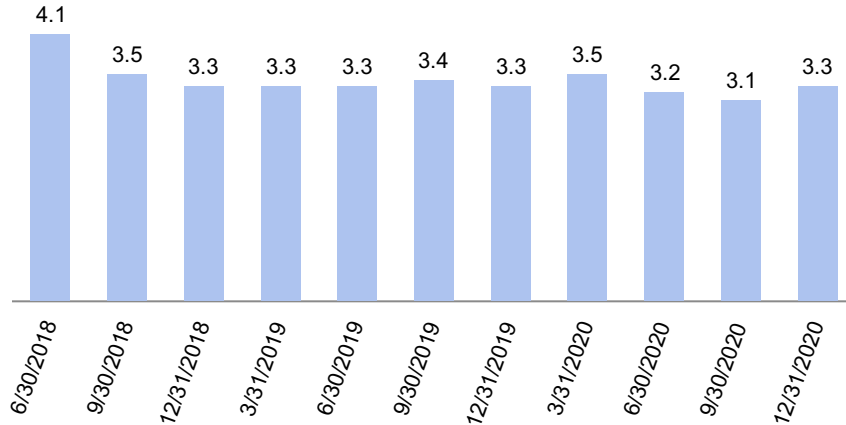


(dollars in thousands)

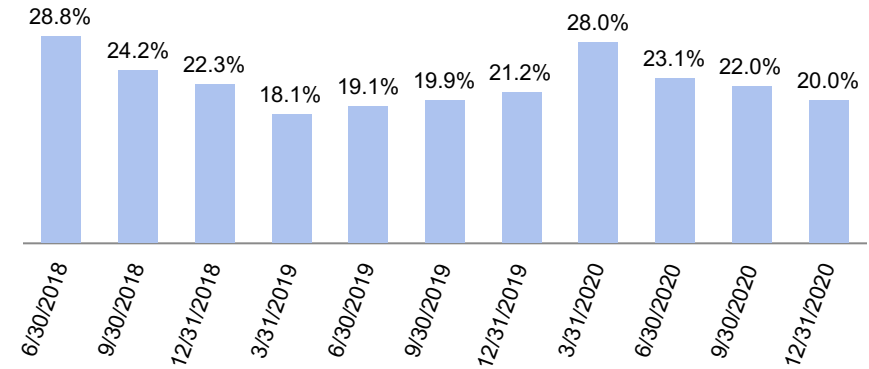
	December 31, 2020	December 31, 2019
Assets:		
Real estate investments, net	\$ 1,448,099	\$ 1,414,200
Other real estate investments, net	15,000	33,300
Assets held for sale, net	7,226	34,590
Cash and cash equivalents	18,919	20,327
Accounts and other receivables, net	1,823	2,571
Prepaid expenses and other assets, net	10,450	10,850
Deferred financing costs, net	2,042	3,023
Total assets	\$ 1,503,559	\$ 1,518,861
Liabilities and Equity:		
Senior unsecured notes payable, net	\$ 296,669	\$ 295,911
Senior unsecured term loan, net	198,925	198,713
Unsecured revolving credit facility	50,000	60,000
Accounts payable and accrued liabilities	19,572	14,962
Dividends payable	24,251	21,684
Total liabilities	589,417	591,270
Equity:		
Common stock	952	951
Additional paid-in capital	1,164,402	1,162,990
Cumulative distributions in excess of earnings	(251,212)	(236,350)
Total equity	914,142	927,591
Total liabilities and equity	\$ 1,503,559	\$ 1,518,861

Key Debt Metrics

Net Debt to Normalized EBITDA ^{[1][2]}



Net Debt to Enterprise Value ^[3]



[1] Net Debt to Normalized EBITDA compares total debt as of the last day of the quarter to the annualized Normalized EBITDA for the quarter.

[2] See "Financials & Filings - Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for reconciliations of Normalized EBITDA to the most directly comparable GAAP measure for the periods presented.

[3] Net Debt to Enterprise Value compares total debt as of the last day of the quarter to CareTrust REIT's Enterprise Value as of the last day of the quarter. See "Glossary" for additional information.



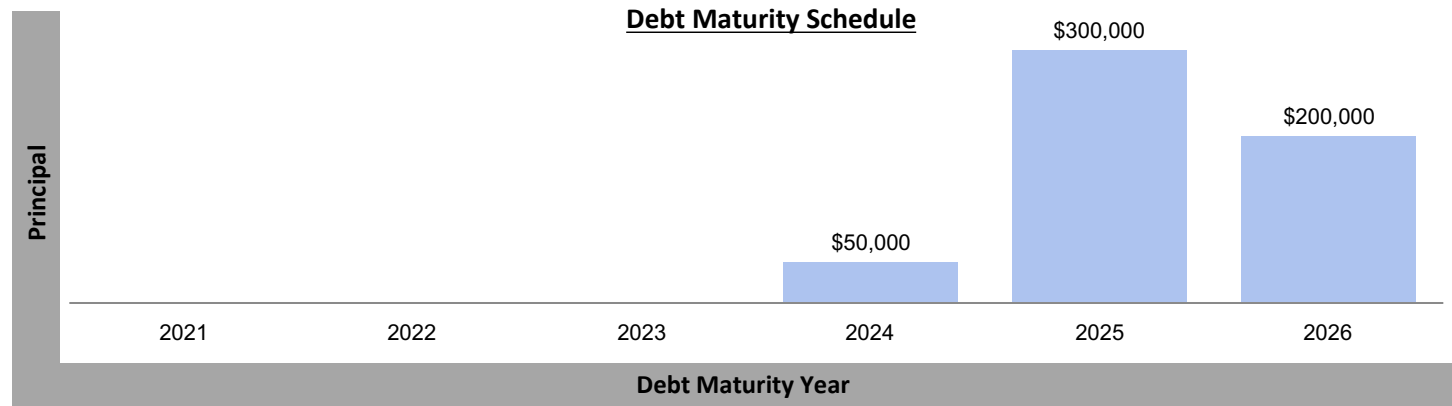
The Rio at Fox Hollow (Brownsville, TX)



Debt Summary

(dollars in thousands)

(dollars in thousands)			December 31, 2020			
Debt	Interest Rate	Maturity Date	Principal	% of Principal	Deferred Loan Costs	Net Carrying Value
Fixed Rate Debt						
Senior unsecured notes payable	5.250 %	2025	\$ 300,000	54.5 %	\$ (3,331)	\$ 296,669
Floating Rate Debt						
Senior unsecured term loan	1.647 % ^[1]	2026	200,000	36.4 %	(1,075)	198,925
Unsecured revolving credit facility	1.250 % ^[2]	2024	^[3] 50,000	9.1 %	— ^[4]	50,000
	1.568 %		250,000	45.5 %	(1,075)	248,925
Total Debt	3.576 %		\$ 550,000	100.0 %	\$ (4,406)	\$ 545,594



Notes:

[1] Funds can be borrowed at applicable LIBOR plus 1.50% to 2.20% or at the Base Rate (as defined) plus 0.50% to 1.20%.

[2] Funds can be borrowed at applicable LIBOR plus 1.10% to 1.55% or the Base Rate (as defined) plus 0.10% to 0.55%.

[3] Maturity date assumes exercise of two, 6-month extension options.

[4] Deferred financing fees are not shown net for the unsecured revolving credit facility and are included in assets on the balance sheet.

2021 Guidance



(shares in thousands)

Net income

Real estate related depreciation and amortization

(Gain) loss on sale of real estate

Funds from Operations (FFO)

Normalized FFO

Net income

Real estate related depreciation and amortization

Amortization of deferred financing fees

Amortization of stock-based compensation

Straight-line rental income

(Gain) loss on sale of real estate

Funds Available for Distribution (FAD)

Normalized FAD

Weighted average shares outstanding:

Diluted

Full Year 2021 Guidance ^[1]			
Low		High	
\$	0.84	\$	0.86
	0.56		0.56
	—		—
	1.40		1.42
\$	1.40	\$	1.42
\$	0.84	\$	0.86
	0.56		0.56
	0.02		0.02
	0.07		0.07
	—		—
	—		—
	1.49		1.51
\$	1.49	\$	1.51
	95,557		95,557

Notes:

[1] This guidance assumes and includes (i) all investments, dispositions and loan repayments made to date, (ii) no new acquisitions, dispositions, new loans or loan repayments beyond those completed or announced to date, (iii) no new debt incurrences or new equity issuances, and (iv) estimated 1.25% CPI-based rent escalators under CareTrust's long-term net leases. It does not contemplate future negative impacts, if any, that are related to the COVID-19 pandemic, which are highly uncertain and cannot be predicted at this time. See "Glossary" for additional information.

Equity Capital Transactions

Follow-On Equity Offering Activity

	2015	2016					2019 ^[2]
		Q1	Q2	Q3	Q4	Total	
Number of Shares (000s)	16,330	—	9,775	—	6,325	16,100	6,641
Public Offering Price per Share	\$ 10.50	\$ —	\$ 11.35	\$ —	\$ 13.35	\$ 12.14 ^[1]	\$ 23.35
Gross Proceeds (000s)	\$ 171,465	\$ —	\$ 110,946	\$ —	\$ 84,439	\$ 195,385	\$ 155,073

At-the-Market Offering Activity

	2016	2017	2018	2019	2020 ^[2]				
					Q1	Q2	Q3	Q4	Total
Number of Shares (000s)	924	10,574	10,265	2,459	—	—	—	—	—
Average Price per Share	\$ 15.31	\$ 16.43	\$ 17.76	\$ 19.48	\$ —	\$ —	\$ —	\$ —	\$ —
Gross Proceeds (000s)	\$ 14,147	\$ 173,760	\$ 182,321	\$ 47,893	\$ —	\$ —	\$ —	\$ —	\$ —

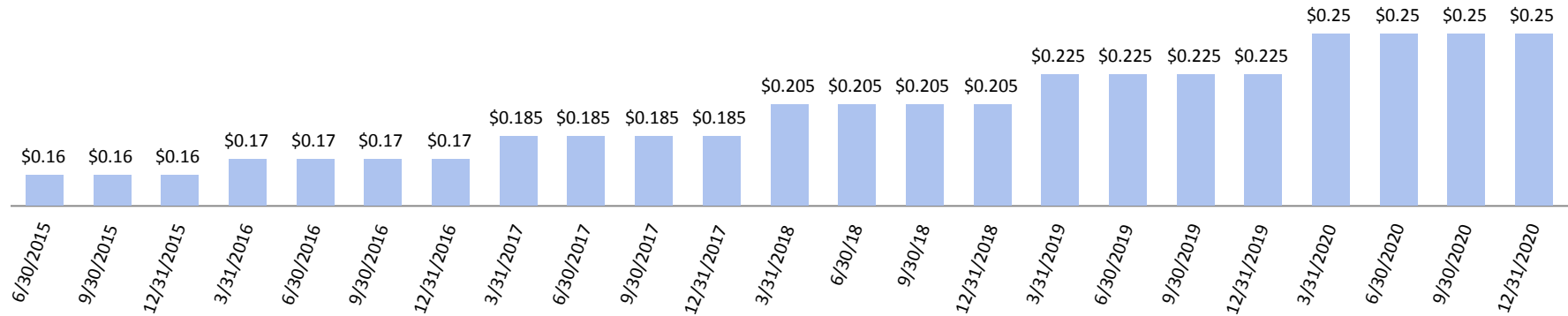
Notes:

[1] Represents average offering price per share for follow-on equity offerings.

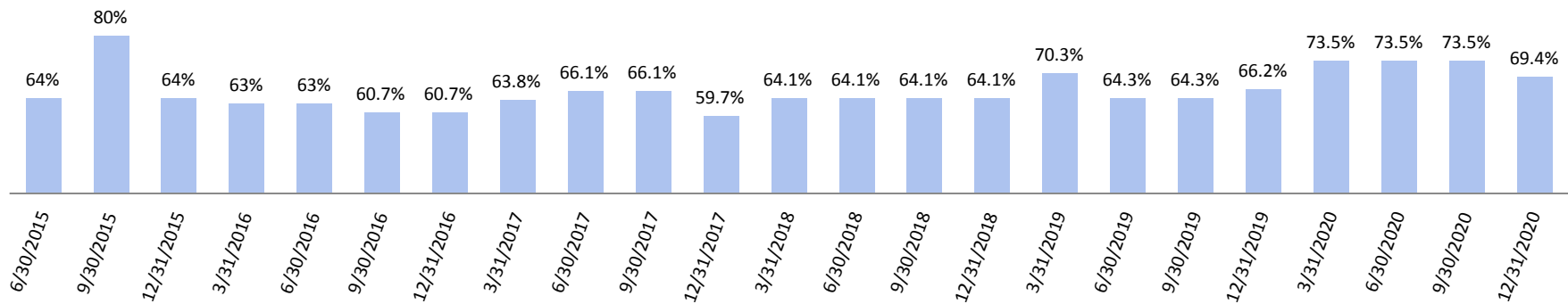
[2] In connection with the entry into the equity distribution agreement and the commencement of the new \$500.0 million ATM Program in March 2020 (the "New ATM Program") our "at-the-market" equity offering program pursuant to our prior equity distribution agreement, dated as of March 4, 2019, was terminated (the "Prior ATM Program"). There was no Prior ATM Program or New ATM Program activity for the twelve months ended December 31, 2020. As of December 31, 2020, CareTrust REIT had \$500.0 million available for future issuances under the New ATM Program.

Other Financial Highlights

Dividend History



Normalized FFO Payout Ratio ^{[1][2]}



Notes:

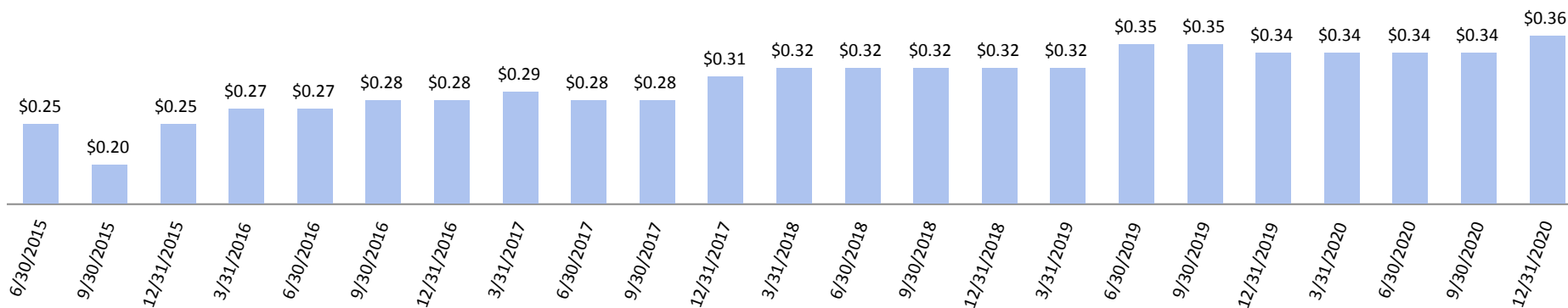
[1] Normalized FFO Payout Ratio represents dividends declared divided by Normalized FFO, in each case for the applicable quarter.

[2] See "Financials & Filings - Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for a reconciliation of Normalized FFO and Normalized FFO per Share to the most directly comparable GAAP measure for the periods presented. See "Glossary" for additional information.

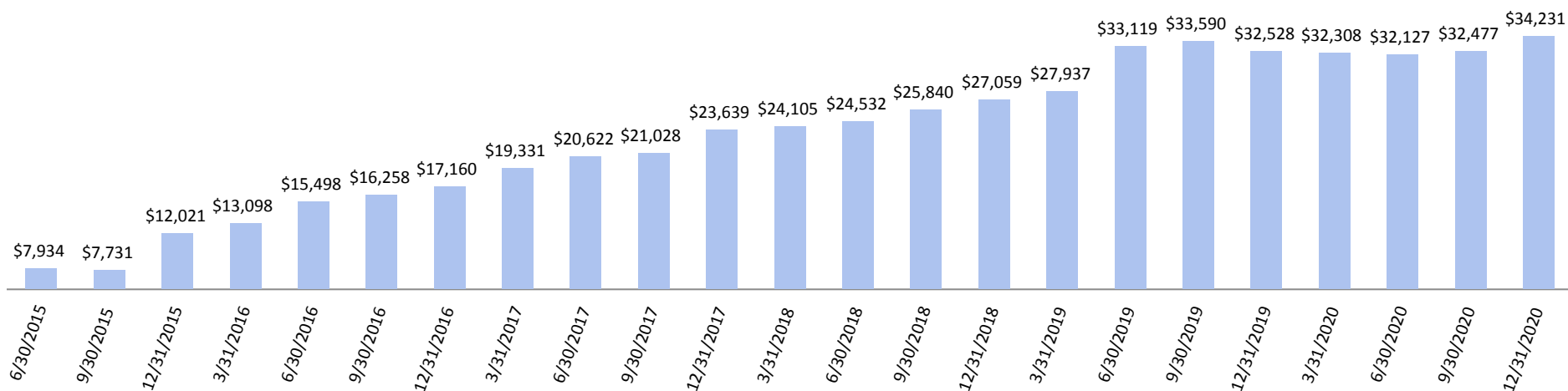
Other Financial Highlights

(continued)

Normalized FFO per Share ^[1]



Normalized FFO ^[1]



Notes:

[1] See "Financials & Filings - Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for a reconciliation of Normalized FFO and Normalized FFO per Share to the most directly comparable GAAP measure for the periods presented. See "Glossary" for additional information.

Glossary

Assisted Living Facilities ("ALFs")

Licensed healthcare facilities that provide personal care services, support and housing for those who need help with daily living activities, such as bathing, eating and dressing, yet require limited medical care. The programs and services may include transportation, social activities, exercise and fitness programs, beauty or barber shop access, hobby and craft activities, community excursions, meals in a dining room setting and other activities sought by residents. These facilities are often in apartment-like buildings with private residences ranging from single rooms to large apartments. Certain ALFs may offer higher levels of personal assistance for residents requiring memory care as a result of Alzheimer's disease or other forms of dementia. Levels of personal assistance are based in part on local regulations.

EBITDA

Net income before interest expense, income tax, depreciation and amortization and amortization of stock-based compensation.^[1]

EBITDAR

Net income before interest expense, income tax, depreciation, amortization and rent, after applying a standardized management fee (5% of facility operating revenues).

EBITDAR Coverage

Aggregate EBITDAR produced by all facilities under a master lease (or other grouping) for the trailing twelve-month period ended September 30, 2020 divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period; provided that if the master lease has been amended to change the base rent during or since such period, then the aggregate EBITDAR for such period is divided by the annualized monthly base rent currently in effect. In addition, we may exclude from coverage disclosures those facilities which are (i) classified as Held for Sale, (ii) temporarily on Special Focus Facility (SFF) status, (iii) undergoing significant renovations that necessarily result in a material reduction in occupancy, or (iv) have been acquired for or recently transferred to new operators for turnaround and are pre-stabilized.

EBITDARM

Earnings before interest expense, income tax, depreciation, amortization, cash rent, and a standardized management fee (5% of facility operating revenues).

EBITDARM Coverage

Aggregate EBITDARM produced by all facilities under a master lease (or other grouping) for the trailing twelve-month period ended September 30, 2020 divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period; provided that if the master lease has been amended to change the base rent during or since such period, then the aggregate EBITDARM for such period is divided by the annualized monthly base rent currently in effect. In addition, we may exclude from coverage disclosures those facilities which are (i) classified as Held for Sale, (ii) temporarily on Special Focus Facility (SFF) status, (iii) undergoing significant renovations that necessarily result in a material reduction in occupancy, or (iv) have been acquired for or recently transferred to new operators for turnaround and are pre-stabilized.

Enterprise Value

Share price multiplied by the number of outstanding shares plus total outstanding debt minus cash, each as of a specified date.

Funds Available for Distribution ("FAD")

FFO, excluding straight-line rental income adjustments, amortization of deferred financing fees and stock-based compensation expense.^[2]

Funds from Operations ("FFO")

Net income, excluding gains and losses from dispositions of real estate or other real estate, before real estate depreciation and amortization and real estate impairment charges. CareTrust REIT calculates and reports FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts.^[2]

HHS Relief Funds

Provider relief funds distributed by the Department of Health and Human Services as part of the CARES act to support healthcare providers battle against the COVID-19 outbreak. Healthcare providers received four payments over three phases of general distributions. Does not include funds as part of Medicaid's Federal Medical Assistance Percentage ("FMAP") or Medicare's Sequestration "Holiday".

Glossary

Independent Living Facilities (“ILFs”)

Also known as retirement communities or senior apartments, ILFs are not healthcare facilities. ILFs typically consist of entirely self-contained apartments, complete with their own kitchens, baths and individual living spaces, as well as parking for tenant vehicles. They are most often rented unfurnished, and generally can be personalized by the tenants, typically an individual or a couple over the age of 55. These facilities offer various services and amenities such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, and on-site security.

Multi-Service Campus

Facilities that include a combination of Skilled Nursing beds and Seniors Housing units.

Normalized EBITDA

EBITDA, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as certain real estate impairment charges, provision for loans, provision for doubtful accounts and lease restructuring, recovery of previously reversed rent, lease termination revenue, property operating expenses and gains or losses from dispositions of real estate or other real estate.^[1]

Normalized FAD

FAD, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as certain provision for loans, provision for doubtful accounts and lease restructuring, recovery of previously reversed rent, lease termination revenue and lease restructuring and property operating expenses.^[2]

Normalized FFO

FFO, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, and certain provision for loans, provision for doubtful accounts and lease restructuring, recovery of previously reversed rent, lease termination revenue and property operating expenses.^[2]

Seniors Housing

Includes ALFs, ILFs, dedicated memory care facilities and similar facilities.

Skilled Nursing or Skilled Nursing Facilities (“SNFs”)

Licensed healthcare facilities that provide restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at an acute care hospital or long-term acute care hospital. Treatment programs include physical, occupational, speech, respiratory, ventilator, and wound therapy.

Notes:

[1] EBITDA and Normalized EBITDA do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company’s liquidity or operating performance. EBITDA and Normalized EBITDA do not purport to be indicative of cash available to fund future cash requirements, including the Company’s ability to fund capital expenditures or make payments on its indebtedness. Further, the Company’s computation of EBITDA and Normalized EBITDA may not be comparable to EBITDA and Normalized EBITDA reported by other REITs.

[2] CareTrust REIT believes FAD, FFO, Normalized FAD, and Normalized FFO (and their related per-share amounts) are important non-GAAP supplemental measures of its operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time, even though real estate values have historically risen or fallen with market and other conditions. Moreover, by excluding items not indicative of ongoing results, Normalized FAD and Normalized FFO can facilitate meaningful comparisons of operating performance between periods and between other companies. However, FAD, FFO, Normalized FAD, and Normalized FFO (and their per-share amounts) do not represent cash flows from operations or net income attributable to shareholders as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company’s liquidity or operating performance.



Grapevine Medical Lodge (Grapevine, TX)

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*Expertise. Partnership.
Growth.*